REVENUE SECRETARIAT.

Report on the working of the Co-operative Department, during 1923-24.

READ—

Report on the working of the Co-operative Department in the State during the year 1923-24 received with letter No. 2093—C. S., dated 10th November 1924, from the Registrar of Co-operative Societies.

ORDER No. I. C. 4383-442—C. S. 43-24-3, DATED 30TH DECEMBER 1924.

Recorded.

2. Mr. K. H. Ramayya was in charge of the Department throughout the year. There was no change in the constitution of the Inspectorate.

3. The general progress of the co-operative movement during the year was satisfactory though there was a fall in the number of societies as well as in their membership on account of the winding up of moribund societies. There were 1,541 societies at the beginning of the year. Fifty-nine societies were newly started and the registration of 113 societies was cancelled with the result that there were 1,487 societies at the close of the year. The total membership of the societies fell from 95,315 to 92,203.

4. *Working Capital and Deposits.*— There was an increase in the total working capital of the societies from Rs. 84,09,478 to Rs. 87,44,945 the average working capital per member being 94·8 as against Rs. 88·1 in the previous year. The total deposits attracted by the Co-operative Institutions during the year amounted to Rs. 32,93,589, the Bangalore District attracting nearly two-thirds of this sum, the amount of deposits outstanding at the close of the year being Rs. 32,70,163 as against Rs. 29,24,647 at the end of the previous year. The total transactions of all the societies amounted to Rs. 2,77,40,951 yielding a net profit of Rs. 3,79,590.

5. *Reserve Fund.*—The reserve fund of the societies rose from Rs. 10,16,357 to Rs. 11,84,902 out of which about a lakh of rupees has been invested in the 6½ per cent Mysore State Loan Bonds and about three lakhs on buildings provided by societies for their location. Government consider that the utilisation by societies of the whole of their Reserve Fund as working capital should be discouraged. A reasonable portion of it should be kept in a fluid form.

6. *Loans.*—The total amount of loans issued by the Societies was Rs. 56,31,403 out of which Rs. 43,24,373 or 77·6 per cent was for productive purposes and Rs. 8,51,534 or 15·3 per cent for liquidating prior debts.

7. *Demand and Collection.*—Out of a total demand of Rs. 69,79,344 that fell due during the year, Rs. 56,17,089 or 81% was recovered. It is very unsatisfactory that out of a sum of Rs. 4,24,499 lent by Central Societies during the year to primary societies only Rs. 1,17,493 was recovered. The Department should devote special attention to this matter and take steps for a much prompter realisation of the dues of the Central Financing Institutions.

8. *Co-operation in the Malnad.*—The Co-operative movement has not made as much progress in the Malnad tracts of the State as in the Eastern Districts although both by reason of the agricultural and economic conditons of the people, the need for the development of co-operation is greater in the former than in the latter. The number of societies in the Malnad fell from 222 to 212 but it is reported that there was an improvement in the working of the existing societies. Government however desire to impress on the officers of the Department that special efforts are necessary on their part to popularise and extend the movement in the Malnad.

9. *Central Banks.*—The two central institutions—the Bangalore Central Co-operative Bank and the Mysore Provincial Co-operative Bank—issued loans to the extent of Rs. 2,94,675 and Rs. 68,535 respectively during the year and earned a net profit of Rs. 49,879 and Rs. 13,045 respectively. The formation of an Apex Bank to finance the co-operative movement in the State which has been recommended by the Co-operative Committee is under the consideration of Government.

The working of the five District Central Banks and the eleven Federal Banking Unions was not satisfactory. The Federal Banking Unions may be wound up as proposed but attempts should be made to improve the working of the District Central Banks.

10. The number of Agricultural Societies, *i.e.*, Societies the membership of which consisted mainly of members of the agricultural classes decreased from 1,249 to 1,184 and their membership from 49,659 to 47,133 during the year. As many as 1,130 out of the existing agricultural societies are crēdit institutions of the ordinary type. There was also a fall in the number of non-agricultural societies from 285 to 272 during the year and their membership went down from 43,253 to 42,732. Their total working capital and reserve fund however increased from Rs. 37,57,446 to Rs. 42,71,786 and from Rs. 5,17,421 to Rs. 6,42,322 respectively.

11. *Stores Societies.*—The Stores Societies, 82 in number, earned a profit of Rs. 39,036 during the year. In spite of the numerous advantages of such societies, especially in towns and cities, there has not been any improvement either in the number or working of these societies. The Department should give special attention to the organization of such societies.

12. *Non-credit Societies.*—Consequent on the winding up of dormant societies the number of non-credit societies fell from 132 to 108, consisting of 42 Weavers' Societies, 43 Societies for the supply of seed, agricultural implements and manure, 3 Societies for the sale of agricultural produce, 4 for sericulturists 2 for Brass workers, 2 for Gudigars (sandalwood carvers) and the rest for the benefit of persons engaged in other industries. The action of the Agricultural Department in making use of the few good credit societies as depots for the supply of improved agricultural implements to the raiyats is a move in the right direction and Government trust that the co-operation of a larger number of societies will be enlisted in this respect in future.

13. *Industrial Co-operation.*—There were 42 Weavers' Societies with a total membership of 1,278 and a working capital of Rs. 1,56,601. They earned a profit of Rs. 10,836 during the year. In spite of the slump in the market the weavers' societies are reported to have done fairly good work. As a measure of relief to weavers in the Kolar and Tumkur Districts who suffered considerably on account of the distress prevailing in those areas, a sum of Rs. 6,750 was advanced to them through Co-operative Societies. The question of starting a Central Depot for the wholesale supply of yarn and other raw materials to weavers and for the sale of articles manufactured by them is reported to be engaging the attention of the Department. The Registrar is requested to submit a separate report to Government on this subject.

14. The number of societies for the exclusive benefit of the depressed classes increased from 39 to 50 during the year. The depressed classes are not excluded from the membership of other societies and a good many persons belonging to these classes are taking advantage of these societies as well.

15. Out of six House Building Societies in the Bangalore District only one *viz.*, the Bangalore City Building Society is reported to have worked during the year. The number of Sericultural Co-operative Societies fell from 6 to 4 and the results of their working are reported to have been satisfactory. Government have already passed orders in the matter of developing sericultural co-operation. Sericulture is an important cottage industry and in recent years there has been a noticeable tendency for its spread to areas where it was formerly unknown. The people who engage themselves in this industry have generally very limited means and it is necessary for the development of the industry that the co-operative movement should make a headway among them.

16. The fee levied on the suits filed before the Registrar of Co-operative Societies was reduced during the year from a half to a fourth of the scale of fees charged in civil courts. Suits of the value of Rs. 2,57,189 were entertained and the stamp revenue realised amounted to Rs. 12,217 as against Rs. 4,488 in the previous year. Ninety-seven suits of the value of about 20,000 were entertained without the requisite court fee.

17. Out of 2,789 suits for disposal before the officers of the Co-operative Department 2,223 were disposed of leaving a balance of 566. Now that two appointments of Sub-Assistant Registrar have been sanctioned. Government trust that there will be no delay in the disposal of suits.

18. Out of a total of 5,389 decrees pending execution before the Deputy Commissioners of Districts only 1,962 decrees are reported to have been executed. The Revenue Commissioner has been requested to see that special attention is paid by the Revenue Officers towards the speedy execution of these decrees. The question of appointing some special sheikdars for executing the decrees in places where the pendency is heavy is under the consideration of the Government.

19. The touring of the Registrar of Co-operative Societies and the Inspectors of the Department is not satisfactory. It is reported that the curtailment of the allotments for travelling allowance in the budget was the cause of short itineration. The explanation is not acceptable, as much useful work can be done by preparing carefully thoughout programmes of tour. The itineration of the Registrar is not adequate, and his remark that it was due to heavy work at Headquarters does not commend itself to Government. The routine work could well have been attended to in Camp.

20. During the year 1,139 societies were inspected by the Officers and Inspectors of the Department. The accounts of 635 societies were fully audited and those of 504 partially. One hundred and five Societies made their own arrangements for getting their accounts audited.

21. On the occasion of the Provincial Co-operative Conference the ten shields instituted by His Highness the Yuvaraja were presented to eight best credit co-operative societies, one in each district and to the Sargur Thogadgere Weavers' Society, Heggaddevankote Taluk and the Hakkare Agricultural Co-operative Society, Sagar Taluk, as the best Industrial and Agricultural Societies in the State respectively. A Co-operative Institute is reported to have been started recently for carrying on propaganda work. The Institute has come none too soon and its work will be watched with interest.

22. The proposals made by the Mysore Co-operative Committee engaging the active consideration of the Government and orders thereon will be issued early.

23. The Registrar has already taken action on some of the recommendations of the Committee for which no Government orders were necessary. Government have recently issued orders appointing Honorary Organisers of Co-operative Societies, one for each of the Districts of Bangalore, Shimoga, Hassan and Kolar. It is hoped that with the help of these Honorary Organisers and by the adoption of the several valuable suggestions made by the Committee, the Department will be able not only to increase the number of societies of several kinds but also to place them on a really sound footing.

24. The working of the Department during the year was satisfactory. Government trust that with the establishment of the Co-operative Institute and the enlistment of the aid of the Honorary Organisers who are all men of education and standing, the movement will be placed on a basis of efficiency.

K. V. ANANTARAMAN,

Secretary to Government,
Revenue Department.

FINANCIAL SECRETARIAT.

Daily Allowance.

ORDER NO. FL. 3537-86—S. A. 67-24-1, DATED 23RD DECEMBER 1924.

When the budget for the year 1924-25 was voted by the Legislative Council at its session in June 1924, there were as many as 32 motions for the abolition of duty allowances to officers in different departments, but they were not pressed, as Government agreed to refer the whole question of duty allowances to the Standing Committee for Finance and Taxation. The subject was accordingly considered by the Committee at its meetings held on 6th, 7th, 8th and 11th October 1924.

2. The Committee's proposals are reproduced in the Appendix to this order. Government have considered the recommendations of the Committee and they are pleased to accept them except only a few. The orders of Government regarding the